

7. **VA LOAN** In the event that the Purchaser is placing a Veterans Administration guaranteed loan, it is expressly agreed that notwithstanding any other provisions of this contract the Purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration or the Purchaser is not approved by the Veterans Administration and the lending institution. In the event the Certificate of Reasonable Value is less than the amount of the contract price, the Purchaser shall have the privilege and option for five days after receipt of VA appraisal to proceed with the consummation of this contract without regard to the amount of reasonable value established by the Veterans Administration. This contract is contingent on the approval of the house and the Purchaser by the Veterans Administration and the lending institution. If the aforesaid approval is not obtained, it is expressly agreed that the Purchaser shall be refunded his deposit and the contract shall be null and void.

8. **FHA/VA REQUIREMENTS** If FHA or VA financing is being placed herein, any outstanding sewer and water tap fees shall be paid in full by the Seller. Seller agrees to comply with reasonable FHA or VA requirements, escrow, or repairs, where applicable.

9. **TITLE CONVEYANCE** And upon payment as herein provided of the unpaid purchase money, a deed for the property containing covenants of special warranty and further assurance shall be executed at the expense of the Seller, which shall convey the property to the Purchaser. Title to be good and merchantable, free of liens and encumbrances except as specified herein and except use and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the property is located, and publicly recorded easements for public utilities and any other easements which may be observed by an inspection of the property. **THE PURCHASER ACKNOWLEDGES THAT HE HAS BEEN APPRISED OF HIS RIGHTS TO REVIEW THE APPLICABLE SAID RESTRICTIVE COVENANTS AFFECTING THE PROPERTY HEREIN DESCRIBED PRIOR TO THE EXECUTION OF THIS CONTRACT**

10. **TITLE DEFECT** If Seller shall be unable to convey title in accordance with the provisions of this contract, Seller shall be entitled to an adjournment of the closing of title hereunder for a period of not more than thirty (30) days for the purpose of removing the defect or defects in title. If the defect or defects are not removed within such period, Purchaser shall have the right to rescind this contract, in which case all payments made on account of the purchase price shall be refunded to Purchaser, together with the reasonable expenses incurred by Purchaser for title examination and/or survey. Seller, however, shall not be liable for damages by reason of any defect in title.

11. **ADJUSTMENT/PRO RATION** Rent, water rent, homeowners association dues, condominium fees, taxes, front-foot assessments, and all other public charges against the premises shall be prorated to the date of settlement. Sellers shall provide a deed, and pay attorney's fees for securing release evidence, pay half of the required tax stamps and half of the transfer tax, lender's inspection fee and appraisal compliance fees, if applicable. Purchaser shall pay all other costs; such as, but not limited to, financing, mortgage, recording costs, house location survey, if required, attorney settlement fee, half of the required tax stamps and half of the transfer tax. **THE PURCHASER MAY SELECT HIS OWN TITLE INSURANCE, SETTLEMENT OR ESCROW ATTORNEY**

12. **POSSESSION** Possession shall be given, unless otherwise agreed upon herein, immediately after settlement. The Seller at the time of possession will leave premises free and clear of trash and debris and broom clean, with the electrical, plumbing, heating, air conditioning and any other mechanical systems in operating condition. The Seller will deliver possession of the premises in substantially the same physical condition as of date of final ratification. To determine the above, Purchaser has the right to a pre-settlement/occupancy inspection of the premises. Except as expressly contained herein, no other warranties are made by the Seller or Broker, nor relied upon by the Purchaser.

13. **FOREFEITURE OF DEPOSIT/LEGAL REMEDIES** If the Purchaser shall fail to make settlement, the deposit herein provided for may be forfeited at the option of the Seller, in which event the Purchaser shall be relieved from further liability hereunder and said deposit if forfeited shall be construed as liquidated damages. In the event of any such forfeiture of the deposit the Broker shall be entitled to one-half of said amount, not to exceed the full commission. If the Seller elects not to accept forfeiture of deposit, Seller shall notify the Purchaser and the Broker in writing within 30 days from the date provided for settlement herein of his election to avail himself of any legal or equitable rights which he may have under this contract, other than the said forfeiture. In such event said deposit shall be returned by the Broker to the Purchaser, and the Broker shall not be liable to the Seller for said deposit. If after a breach by Purchaser, the Seller obtains an award of damages by a court, or enters into a compromise agreement with the Purchaser, the Seller shall pay the Broker one-half thereof, said amount not to exceed the amount of the full brokerage fee, but said amount shall not be less than one-half the deposit in the event of a compromise agreement. If the Broker is required to participate in any legal proceedings, through no fault of his own, either as Plaintiff, Defendant or Third Party, Seller agrees to pay reasonable attorney's fees for Broker's own attorney.

14. **TERMITE INSPECTION** At the time of settlement, Seller shall provide to Purchaser a written certification from a licensed exterminator that, based upon careful visual inspection of accessible areas of the house, there is no evidence of infestation of termites or other wood-boring insects. If such infestation exists, Seller, at his own expense, prior to settlement, is to exterminate and repair any existing structural damage caused by termites or other wood-boring insect provided said structural damage does not exceed 3% of sale price. If said structural damage exceeds 3% of sale price, then the Seller shall have the right to make all repairs or to declare the contract null and void, in which event the deposit shall be returned to the Purchaser.

• 15. **WELL WATER REPORT** Sellers agrees to furnish Purchaser a certificate from the Frederick County Health Department or an acceptable water testing firm, approved by the Purchaser's lender or local ordinance, indicating that a water sample taken from the well that services the property is fit for human consumption. If Seller is unable to secure an acceptable report by settlement date, this contract may be voided at option of Purchaser, in which event, deposit will be returned without cost.

16. **INSURANCE** The risk of loss or damage to said property by fire or other casualty until the time of settlement is assumed by the Seller.

• 17. **AGRICULTURAL TRANSFER TAX** Seller hereby notifies Purchaser that the property may be subject to an agricultural transfer tax under Article 81, Section 278F, Annotated Code of Maryland, as amended, which tax (if any) Purchaser agrees to pay in full.

18. **SPECIAL NOTICE** The Broker(s) assume no responsibility for the condition of the property nor for the performance of this contract by any or all parties hereto. Purchaser hereby warrants and represents unto the real estate brokers herein that no Broker(s), servant or employee of said real estate broker(s) has made any statement, representation or warranty to them regarding the condition of the premises or any part thereof upon which Purchaser has relied and which is not contained in this contract.

19. **CONSUMER REPORT AUTHORIZATION** The Purchaser hereby authorizes the Broker to disclose to the Seller or any lender the credit information provided to the Broker by the Purchaser.

20. **AGREEMENT OF PRINCIPALS** The principals to this contract mutually agree that it shall be binding upon them, their heirs, personal representatives, successors and assigns, that this contract contains the final and entire agreement between the parties hereto, and neither they nor their Broker(s) shall be bound by any terms, conditions, statements, warranties or representations, oral or written not herein contained.